

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

FINANCE COMMITTEE MEETING

Minutes of Meeting held Friday, March 2, 2012 @8:30 a.m.

Present: Michael Lewis, Chairperson; Jerome Williams

Absent: Thomas Deller and Margaret Holland McDuff.

Also Present: Charles Odimgbe; Maureen Neira; and Ellen Mandly and other members of RIPTA's staff and members of the public whose names are on the sign-in sheet.

Agenda Item 1: Approval of Minutes of January 10, 2012 Meeting Minutes

Michael Lewis called the meeting to order at 8:32 and asked if the members had an opportunity to review the minutes of the January 10, 2012 Finance Committee meeting. The members indicated they had. Mr. Williams moved that the minutes of the January 10th meeting be approved as presented. Mr. Lewis seconded the motion and the minutes were unanimously approved.

Agenda Item 2: Multi-Year Budget

Ms. Neira began the multi-year budget conversation by referencing the 7-page overview and assumptions document contained in the Finance Committee meeting package. Ms. Neira Went over this document which covered an overview, revenue assumptions, expense assumptions, and the multi year operating budget estimates.

The bulk of the discussion centered on the multi year budget, which was driven off of the original \$10 million budget deficit, which is actually a bit less now. The multi-year budget has a line of \$63 million.

Ms. Neira then went over all of the assumptions which were used to create the multiyear budget and which were depicted in detail by line item. She used the information from the state budget office, the gasoline yield projections, the CPI, projections on health care costs and debt service and contractual commitments to develop these assumptions.

The Committee discussed the assumptions at length and Ms. Neira said she would make adjustments based on their feedback prior to submitting to the full Board for review. The Committee then held a discussion of the two competing bills regarding transit funding currently at the house and senate.

Next Ms. Neira said Lilly Picchione had created a four page federal

funds overview to show where our federal funds are coming from and detailing other pertinent information. Ms. Neira discussed this overview and noted that today we use well over \$15 million in federal funds to support our operating budget and any significant change to that federal funding will create a huge issue for RIPTA and greatly affect our capital budget. She stressed that this is a big concern and Director Lewis agreed. Mr. Odingbe also expressed his concerns about this issue in some detail.

Ms. Neira also expressed concern about the increase in debt service, saying it is a conundrum because while use of bonds is disconcerting, it is needed to fund local match for purchases.

Ms. Neira noted that the cost for fuel has been a bit under budget and health care claims have been running under as well as risk management costs. She then explained that in FY 2014 there is a substantial increase in the budget deficit that is due to Authority beginning to fully fund the retiree's trust. She then gave a quick background on GASB 45 and the existing funding liability and how this affects RIPTA's ability to obtain bonds. Director Lewis said we need to begin to develop a method to pay for local matching funds that is not dependent on bonds. He said we need to develop a way to pay local matching on a pay as you go basis and the CEO agreed with this sentiment.

Ms. Neira completed this portion of the meeting by giving the

Committee a brief update on the layoff and bumping process.

Agenda Item 3: Overview of Travel Expenses

Ms. Neira gave an overview of the discussion at the February Board meeting of the new RIPTA Travel Policy and said that RIPTA has a series of policies and procedures governing employee conduct and these policies are approved by the Board. She said that at the February meeting staff asked the Board approve the RIPTA Travel Policy.

Ms. Neira said that Board members asked various questions regarding the current budget for travel, controls in place to monitor travel, and reimbursement procedures. Following this discussion the Board asked that staff incorporate budgeted amounts and dollar approval levels into the policy and Jerry Williams asked for clarification on what the Board was being asked to approve. Staff said the Board needed to approve the first line of the policy stating that: RIPTA “supports employee travel for the purposes of education, training, quality assurance, and information sharing. The agency will pay for reasonable and necessary business and travel expenses for RIPTA employees and officials” in accordance with RIPTA’s policies and procedures. Following these questions Mayor Avedisian asked that staff make the proposed clarifications to the policy and the policy was then unanimously approved.

The Finance Committee asked questions about specific budgeted amounts for travel and the Laborers International training fund which RIPTA contributes to, but has not yet tapped into, except for one occasion many years back when RIPTA borrowed their training facility for a 2 day training event. After discussion the Committee asked that RIPTA reach out to LIUNA for clarification on what types of training is available. The Committee suggested that Maureen Martin may be able to provide assistance in this regard.

Staff then answered questions from the Committee on the types of training and travel that staff has been doing recently which lead into a brief discussion of the status of the ATMS project.

Agenda Item 4: Old Business

No old business was discussed.

Agenda Item 5: Public Comment

There was no public comment.

Agenda Item 6: Adjournment

There being no further business Mr. Williams made a motion to

adjourn. Mr. Lewis seconded the motion and the meeting was adjourned.

Respectfully submitted,

Ellen M. Mandly

Recording Secretary